

BEFORE THE IDAHO BOARD OF TAX APPEALS

DOUG JAYO,)	
)	
Appellant,)	APPEAL NO. 15-A-1014
)	
v.)	FINAL DECISION
)	AND ORDER
ADA COUNTY,)	
)	
Respondent.)	
)	
)	
)	

RESIDENTIAL PROPERTY APPEAL

This appeal is taken from a decision of the Ada County Board of Equalization modifying the protest of valuation for taxing purposes of property described by Parcel No. R2322630010. The appeal concerns the 2015 tax year.

This matter came on for hearing November 3, 2015 in Boise, Idaho before Board Member Leland Heinrich. Appellant Doug Jayo was self-represented. Tim Tallman represented Respondent.

Board Members David Kinghorn, Linda Pike and Leland Heinrich participated in this decision.

The issue on appeal concerns the market value of an improved residential property.

The decision of the Ada County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed land value is \$400,000, and the improvements' value is \$263,400, totaling \$663,400. Appellant contends the correct total value is \$500,000.

The subject property is a 5.1 acre lot improved with a 3,792 square foot 2-story residence built in 1978. The property is located in Eagle, Idaho, and enjoys a rim view overlooking Eagle Island State Park. The residence includes four (4) bedrooms, two and

one-half (2.5) bathrooms, and a 729 square foot attached three (3) car garage.

Appellant noted subject's land value increased approximately 27%, and the improvements' valuation increased 21% for the 2015 assessment compared to the 2014 valuation. Respondent explained subject's assessed value had not increased in the past three (3) years and now sales were showing the area had increased in value.

Appellant described subject's overall design and condition of the improvements as poor and basically in need of being torn down. Specifically, subject is a daylight basement design, which lends itself to a dark interior and Appellant also considered the structure under-built for the location, which in Appellant's opinion is a hindrance because it will cost money to tear down the structure. Respondent inspected the property and agreed the property had some deferred maintenance and after inspection lowered the assessed value to its current level. However, Respondent also suggested a potential buyer could remodel it, or in the alternative live in it with the outdated components. In all, Respondent maintained the residence still contained value.

Appellant provided sales information concerning four (4) improved residential properties in subject's general area. Appellant's realtor adjusted the sales for differences compared to subject such as additional below grade square footage, as well as a superior location. Sale No. 1 involved a 1,824 square foot single story residence attached to a 1.75 acre parcel on a private lane near the river. The property sold in December, 2014 for \$334,250. The adjusted value was \$501,750.

Sale No. 2 sold in February 2015 and concerned a 3,011 square foot single story

residence situated on a 4.9 acre parcel with panoramic views. Again adjustments were made for subject's superior location. The concluded adjusted value was \$493,100.

Sale No. 3 involved a 4,032 square foot two (2) story residence situated on 2.6 acres located in a nearby subdivision. The property sold in November 2014 for \$425,000. The realtor made adjustments for the sale property being newer, larger, and having better amenities. Again an upward adjustment was applied for subject's superior location. After adjustments for differences, an adjusted value of \$450,000 was reported.

Sale No. 4 involved a 1,189 square foot single story residence situated on a 10-acre parcel located on the Boise River. The residence was considered a tear down. The property sold in November 2014 for \$544,900. A downward adjustment was applied for the large acreage and an upward adjustment was made for subject being "habitable." The adjusted value was \$494,900. The realtor indicated a value range for subject between \$499,000 and \$520,000.

Appellant also provided three (3) additional 2014 sales. The sale residences contained between 1,638 and 3,000 square feet. The sale lots were between one (1) and two (2) acres in size. Sale prices ranged from approximately \$188,000 to \$425,000. Respondent argued none of Appellant's sales were rim view properties and therefore not comparable unless adjustments were made.

Lastly, Appellant testified the subject improvements are actually 2,950 square feet, not the 3,792 square feet noted in Respondent's records. Respondent countered the 3,792 square foot measurement had been on record since subject was built in 1978

without ever being challenged, however did offer to remeasure.

Respondent provided information regarding six (6) sales which took place in 2013 and 2014 to support subject's improvements' valuation. The sale properties were located in the Eagle area. The sale residences ranged in size from 2,657 to 4,346 square feet. Lot sizes ranged between 3.5 and 5.5 acres. Sale prices were between \$428,000 and \$900,000. Respondent adjusted the sales to account for differences compared to subject such as age, rim location, square footage, condition, bedroom and bathroom count, fireplace count, and garage size. An upward time adjustment of .3% per month was also applied to the sale prices. Adjusted sale prices ranged from \$686,106 to \$836,278, or between \$181 and \$221 per square foot.

To support subject's land valuation, Respondent provided four (4) vacant land sales. Two (2) of the sales took place in 2015, and the remaining occurred in 2013 and 2014. The properties contained between three (3) and ten (10) acres. Sale prices ranged between \$424,000 and \$540,000. Respondent also noted all the land in subject's area was assessed the same as subject

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value, or as applicable exempt status. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Idaho Code § 63-205 requires taxable property be assessed at market value annually on January 1; January 1, 2015 in this case. Market value is defined in Idaho Code § 63-201, as,

“Market value” means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

Market value is estimated according to recognized appraisal methods and techniques. There are three (3) approaches to value, the sales comparison approach, the cost approach, and the income approach. Both parties’ provided an abundant amount of sales and other information for the Board’s review.

Appellant challenged the size of subject’s residence, which Respondent reported was 3,792 square feet. Appellant contended subject was 2,970 square feet. Respondent noted the same square foot measurement has been on record for over 35 years. Respondent offered to re-measure subject, however, the offer was not accepted at hearing. On this issue, the Board must rely on the information contained in Respondent’s records, which are presumed correct.

Appellant provided information related to seven (7) sales, four (4) of which were adjusted for differences from subject. Adjusted sale prices were between \$450,000 and \$501,750. While the Board appreciated the information, adjustments seemingly were made for only a few specific items. Most troubling is the adjustments appeared random, while some were adjusted for square footage or land size, others were not. Typically, this

would skew the results. The adjusted sale prices were \$112, \$164, \$275 and \$416 per square foot. This wide variety of price per square foot leaves us with concern.

The value conclusion reached by the realtor was between \$499,900 to \$520,000, and it was suggested this price was for someone who wanted the lot only. In all, it appeared Appellant's evidence concluded the improvements had zero value. This also leaves the Board with concerns. The residence may be old, and have deferred maintenance issues, however, it is still lived in and is functional.

Respondent provided information concerning improved and vacant land sales which were regarded as similar to subject. The land sales supported subject's assessed land value of \$400,000. From Appellant's own testimony it was suggested the land was perhaps worth \$500,000, and the issue was with the improvements' valuation. Six (6) improved sales, which were regarded as similar to subject in terms of design, quality, and overall characteristics were provided by Respondent. Sale prices ranged from \$428,700 to \$900,000. Respondent adjusted the sales to account for physical differences compared to subject, and also applied an upward .3% per month time adjustment to account for the appreciating market. Adjusted sale prices were between \$686,106 and \$836,278, or from \$181 to \$221 per square foot. Subject was assessed for \$663,400.

Per Idaho Code § 63-511, in appeals to this Board, the burden is with the Appellant to establish subject's valuation is erroneous by a preponderance of the evidence. Based on the record in this matter, such burden was not satisfied. Respondent's analysis was detailed and well-supported. The information provided by Appellant was insufficient to

overcome Respondent's value conclusion. Accordingly, the decision of the Ada County Board of Equalization is affirmed.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Ada County Board of Equalization concerning the subject parcel be, and the same hereby is, AFFIRMED.

DATED this 9th day of February, 2016.